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Amendment No. 24 to HB0001

**Head
Signature of Sponsor**

AMEND Senate Bill No. 1*

House Bill No. 1

by adding the following new language at the end of Section 2 of the bill:

4-51-301.

(a) It is hereby declared to be a privilege, taxable by the state only, to participate in the Tennessee state lottery. For the exercise of such privilege, a tax is hereby levied, to be measured by winnings from such lottery, equal to six percent (6%) of gross winnings or prizes received by, accrued or credited to any person, partnership, trust, corporation or other entity from such lottery, less the exemption provided in subsection (b).

(b) The tax imposed by this part shall not apply to the first six hundred dollars (\$600) of lottery winnings otherwise taxable under this part.

4-51-302.

(a) The Tennessee Education Lottery Corporation or other entity administering the Tennessee state lottery shall provide to the commissioner of revenue the same information furnished to the federal internal revenue service on I.R.S. form W-2G relative to winnings of over six hundred dollars (\$600) from a lottery.

(b)

(1) The Tennessee Education Lottery Corporation or other entity administering the lottery shall withhold and remit to the commissioner of revenue six percent (6%) of lottery winnings over the exemption level provided in Section 4-51-301(b) at the same time federal tax withholding is required pursuant to I.R.S. Form W-2G.

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(2) The commissioner of revenue shall furnish to the Tennessee Education Lottery Corporation or other entity administering the lottery necessary forms or tables to facilitate calculating and remitting the amount to be withheld.

4-51-303.

Proceeds from the privilege tax levied by this part shall be earmarked and allocated first to the department of revenue in an amount sufficient to defray the costs of administration of this part. The remaining proceeds shall be earmarked and allocated fifty percent (50%) to early childhood education programs and fifty percent (50%) to health education programs.

AND FURTHER AMEND by adding the following new sections immediately preceding the last section and by renumbering the subsequent section accordingly:

SECTION _____. The commissioner of revenue shall promulgate rules and regulations to effectuate the purposes of Tennessee Code Annotated, Title 4, Chapter 51, Part 3, created by this act, including, but not limited to, any emergency or public necessity rules that may be required. All such rules and regulations shall be promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

SECTION _____. The provisions of Tennessee Code Annotated, Title 4, Chapter 51, Part 3, created by this act, shall take effect January 1, 2004, the public welfare requiring it, and shall apply to tax years beginning on or after January 1, 2004.

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